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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Consun Pharmaceutical Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**康臣藥業集團有限公司**  
**CONSUN PHARMACEUTICAL GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1681)**

**(1) PROPOSED RE-ELECTION OF DIRECTORS,  
(2) PROPOSED FINAL DIVIDEND,  
(3) PROPOSED GRANT OF GENERAL MANDATES TO  
ISSUE NEW SHARES AND REPURCHASE SHARES,  
(4) PROPOSED AMENDMENTS TO THE  
MEMORANDUM AND ARTICLES OF  
ASSOCIATION  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of the Company (the “AGM”) to be held with the combination of a physical meeting at 71, Dongpeng Avenue, Eastern Section, Guangzhou Economic and Technological Development District, Guangzhou, PRC and an online virtual meeting on 27 May 2022 (Friday) at 10:00 a.m. is set out on pages 38 to 43 of this circular.

Whether or not you intend to attend the AGM in person or via online platform, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

Please refer to page 1 of this circular for the measures to be implemented at the AGM to safeguard the health and safety of the attendees and to prevent the spread of the novel coronavirus (“COVID-19”) pandemic, including without limitation:

- **compulsory body temperature check**
- **compulsory wearing of surgical face mask**
- **no distribution of corporate gifts and no serving of refreshments**

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue or be required to leave the AGM venue. The Company reminds all Shareholders that physical attendance in person at the AGM is **NOT** necessary for the purpose of exercising voting rights and would like to encourage Shareholders to appoint the chairman of AGM as their proxy to vote, or to vote via online platform, on the relevant resolutions at the AGM, instead of attending the AGM in person.

Hong Kong, 26 April 2022

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## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

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In view of the ongoing COVID-19 pandemic, the Company will implement necessary preventive measures at the AGM to protect attending Shareholders, proxy and other attendees from the risk of infection, including without limitation:

- (i) compulsory body temperature check will be conducted on every attendee at the entrance of the AGM venue. Any person found to be suffering from a fever or otherwise unwell will be denied entry into the AGM venue or be required to leave the AGM venue;
- (ii) each attendee is required to prepare his/her own surgical face mask and wear the same inside the AGM venue at all times, and to maintain a safe distance between seats; and
- (iii) no corporate gifts will be distributed and no refreshments will be served.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all attendees' health and safety, the Company wishes to advise all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions duly completed, Shareholders may appoint the chairman of AGM as their proxy to vote, or to vote via online platform, on the relevant resolutions at the AGM instead of attending the AGM in person.

The proxy form, which can also be downloaded from the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaconsun.com](http://www.chinaconsun.com)), is enclosed to this circular. In order to be valid, the signed and completed proxy form must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or the adjourned meeting (as the case may be). If you are not a registered Shareholder (i.e., if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be convened and held with the combination of a physical meeting at 71, Dongpeng Avenue, Eastern Section, Guangzhou Economic and Technological Development District, Guangzhou, PRC and an online virtual meeting on 27 May 2022 (Friday) at 10:00 a.m., or where the context so admits, any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemental from time to time
“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“business day(s)”	a day (other than a Saturday, a Sunday or a public holiday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Law”	the Companies Law of the Cayman Islands (as amended, supplemented or otherwise modified from time to time)
“Company”	Consun Pharmaceutical Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability with its Shares listed on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issuing Mandate

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuing Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of the issued Shares of the Company as at the date of passing the relevant resolution at the AGM
“Latest Practicable Date”	19 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange as amended, modified or otherwise supplemental from time to time
“Memorandum and Articles”	the Memorandum of Association and the Articles of Association
“Memorandum of Association”	the memorandum of association of the Company as amended, modified or otherwise supplemental from time to time
“Mr. An Meng”	Mr. An Meng (安猛), the Chairman and an executive Director of the Company
“Mr. An Yubao”	Mr. An Yubao (安郁寶), a controlling shareholder of the Company
“Mr. Feng”	Mr. Feng Zhongshi (馮仲實), an independent non-executive Director of the Company
“Mr. Young”	Mr. Young Wai Po, Peter (楊惠波), a controlling shareholder of the Company
“Ms. Li”	Ms. Li Qian (黎倩), the Vice Chairlady, an executive Director, the Chief Executive Officer and a controlling shareholder of the Company

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## DEFINITIONS

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“Ms. Zhang”	Ms. Zhang Lihua (張麗華), a non-executive Director of the Company
“New Memorandum and Articles”	the amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments, proposed to be adopted by the Company at the AGM
“PRC”	the People’s Republic of China which shall, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Amendments”	proposed amendments to the Memorandum and Articles as set out in Appendix III to this circular
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them during the relevant period to repurchase Shares, the total number of which shall not exceed 10% of the total number of the issued Shares of the Company as at the date of passing the relevant resolution at the AGM
“RMB”	the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HKD0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC
“%”	per cent.

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## LETTER FROM THE BOARD

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**康臣藥業集團有限公司**  
**CONSUN PHARMACEUTICAL GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1681)**

*Executive Directors:*

Mr. An Meng (*Chairman*)  
Ms. Li Qian (*Vice Chairlady,*  
*Chief Executive Officer*)  
Professor Zhu Quan  
Mr. Xu Hanxing

*Registered office:*

Windward 3  
Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Non-executive Director:*

Ms. Zhang Lihua

*Head office and principal place of  
business in the PRC:*

71, Dongpeng Avenue  
Eastern Section  
Guangzhou Economic and  
Technological Development District  
Guangzhou, PRC

*Independent Non-executive Directors:*

Mr. Su Yuanfu  
Mr. Feng Zhongshi  
Ms. Chen Yujun

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED RE-ELECTION OF DIRECTORS,  
(2) PROPOSED FINAL DIVIDEND,  
(3) PROPOSED GRANT OF GENERAL MANDATES TO  
ISSUE NEW SHARES AND REPURCHASE SHARES,  
(4) PROPOSED AMENDMENTS TO THE  
MEMORANDUM AND ARTICLES OF  
ASSOCIATION  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

The purpose of this circular is to provide you with information on the resolutions to be proposed at the AGM regarding, among other things, (a) the re-election of the retiring Directors; (b) the proposed final dividend for the year ended 31 December 2021; (c) the grant to the Directors of the Issuing Mandate, the Repurchase Mandate and the Extension Mandate upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the Directors by ordinary resolutions passed at the annual general meeting of the Company held on 21 May 2021; and (d) the Proposed Amendments, and to give you notice of the AGM at which the resolutions will be proposed to consider and, if thought fit, approve such matters.

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## LETTER FROM THE BOARD

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### PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to article 108 of the Memorandum and Articles, at least one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring director shall be eligible for re-election. Pursuant to article 111 of the Memorandum and Articles, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall be subject to retirement by rotation pursuant to Article 108.

Reference is made to the announcement of the Company dated 9 July 2021 in relation to, among other things, the appointment of Ms. Zhang by the Board as a non-executive Director of the Company. Pursuant to article 112 of the Memorandum and Articles, the Directors shall have the power from time to time and at any time to appoint any person as the Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after the appointment and shall then be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Accordingly, Ms. Li, Ms. Zhang and Mr. Feng shall retire at the AGM and, being eligible, offer themselves for re-election.

Particulars of each of the retiring Directors proposed to be re-elected at the AGM which are required to be disclosed by the Listing Rules are set out in Appendix I to this circular.

### PROPOSED FINAL DIVIDEND

As stated in the announcement issued by the Company dated 23 March 2022 relating to the annual results of the Group for the year ended 31 December 2021, the Board recommended that, subject to Shareholders' approval in the AGM, the Company shall declare and distribute a final dividend of HKD0.2 per Share for the year ended 31 December 2021, which, if approved, is expected to be paid on or about Friday, 17 June 2022, to the Shareholders whose names appear on the register of members of the Company on Friday, 10 June 2022.

To determine Shareholders' entitlement to the proposed final dividend, the register of members of the Company shall be closed from Tuesday, 7 June 2022 to Friday, 10 June 2022 (both days inclusive), during which period no share transfer will be registered. In order to qualify for the proposed final dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 6 June 2022.



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## LETTER FROM THE BOARD

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### **PROPOSED GRANT OF ISSUING MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE**

Pursuant to the ordinary resolutions passed at the annual general meeting of the Company held on 21 May 2021, the Directors were granted (a) a general and unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the total number of the issued Shares of the Company on the date of passing of the relevant ordinary resolution; and (b) a general and unconditional mandate to repurchase Shares with an aggregate number not exceeding 10% of the total number of the issued Shares of the Company on the date of passing of the relevant ordinary resolution; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the total number of the issued Shares repurchased by the Company pursuant to the mandate to repurchase securities referred to in (b) above.

The above general mandates will expire at the conclusion of the AGM. At the AGM, the following resolutions, among other matters, will be proposed:

- (a) to grant the Issuing Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares up to a maximum of 20% of the total number of the issued Shares of the Company on the date of passing of such resolution;
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase the Shares up to a maximum of 10% of the total number of the issued Shares of the Company on the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the Issuing Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The full text of above resolutions are set out in resolutions numbered 5 to 7 as set out in the notice of the AGM contained in pages 38 to 43 of this circular.

Each of the Issuing Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the date by which the next annual general meeting is required by the Companies Law or the Memorandum and Articles to be held; or (c) when the mandate given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 12 April 2022. As set out in the said announcement, the Board proposes to seek approval from the Shareholders at the AGM for the Proposed Amendments in order to (i) bring the Memorandum and Articles in line with the relevant requirements of the Listing Rules and (ii) make some other housekeeping improvements.

The Company has been advised by its legal advisers that the Proposed Amendments are not inconsistent with the requirements of the Listing Rules and the laws of the Cayman Islands. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

Details of the Proposed Amendments are set out in Appendix III to this circular and the Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the AGM.

### AGM

A notice of the AGM is set out on pages 38 to 43 of this circular.

At the AGM, resolutions will be proposed to the Shareholders to be considered at the AGM, including: (a) the re-election of the retiring Directors; (b) the proposed final dividend for the year ended 31 December 2021; (c) the grant to the Directors of the Issuing Mandate, the Repurchase Mandate and the Extension Mandate upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the Directors by ordinary resolutions passed at the annual general meeting of the Company held on 21 May 2021; and (d) the Proposed Amendments.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you intend to attend the AGM in person or via online platform, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person or via online platform at the AGM or any adjournment thereof should you so wish.

In addition to physical attendance at the AGM, you may also opt to attend the AGM via online platform by visiting the website at [http://meetings.computershare.com/CPGL\\_2022AGM](http://meetings.computershare.com/CPGL_2022AGM). For details, please refer to the notice of the AGM set out in this circular.

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## LETTER FROM THE BOARD

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### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and article 79 of the Articles of Association, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Board (including all independent non-executive Directors) consider that the proposed resolutions set out in the notice of the AGM including (a) the re-election of the retiring Directors; (b) the proposed final dividend for the year ended 31 December 2021; (c) the grant to the Directors of the Issuing Mandate, the Repurchase Mandate and the Extension Mandate upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the Directors by ordinary resolutions passed at the annual general meeting of the Company held on 21 May 2021; and (d) the Proposed Amendments, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
By Order of the Board  
**Consun Pharmaceutical Group Limited**  
**An Meng**  
*Chairman*

Hong Kong, 26 April 2022

The particulars of the retiring Directors who are subject to re-election at the AGM and which are required to be disclosed under the Listing Rules are set out below:

**Ms. Li Qian**

Ms. Li Qian (黎倩), aged 57, is our vice chairlady, an executive Director, chief executive officer and a controlling shareholder. She was appointed as our executive Director with effect from 24 December 2012 and was appointed as our vice chairlady with effect from 1 June 2018. She is also the chairlady of the Company's subsidiary, Guangzhou Consun Pharmaceutical Co., Ltd.\* (廣州康臣藥業有限公司) ("Guangzhou Consun"), and a director of the Company's subsidiaries, Consun Pharmaceutical (Inner Mongolia) Co., Ltd.\* (康臣藥業(內蒙古)有限責任公司), Guangxi Yulin Pharmaceutical Group Co., Ltd.\* (廣西玉林製藥集團有限責任公司) and Consun Pharmaceutical (Horgos) Co., Ltd.\* (康臣藥業(霍爾果斯)有限公司). Ms. Li is primarily responsible for formulating the Group's strategies and their executions, managing the Group's overall operations, and directing the daily operations in all aspects.

Ms. Li has over 30 years of experience in the business of pharmaceutical industry. Prior to joining our Group, Ms. Li worked at Southern Medical University from October 1989 to April 1998. Ms. Li joined our Group in 1997 as one of the founders when the Group was newly set-up, and served as the associate director of general manager's office, human resources manager, deputy executive general manager and deputy sales general manager of Guangzhou Consun. Ms. Li has also served as a director and the general manager (which was redesignated as chief executive officer in May 2008) of Guangzhou Consun since November 1999.

Ms. Li obtained a master's degree in business administration at Asia International Open University (Macau) in November 2007. She has obtained 3 invention patents and published research papers on the "Chinese Journal of Clinical Medicine"\* (《中國臨床醫學雜誌》). Ms. Li was awarded as Excellent Private Entrepreneur\* (優秀民營企業家) by Tongliao City People's Government of the Inner Mongolia Autonomous Region in July 2008, and a Model Worker\* (勞動模範) by Inner Mongolia People's Government in April 2010. In December 2010, she obtained the Third Prize for Technological Progress in the Inner Mongolia Autonomous Region\* (內蒙古自治區科技進步三等獎). In December 2011, she was recognised as Famous Entrepreneur in Pharmaceutical Industry of Guangdong Province\* (廣東省醫藥行業著名企業家) by Guangdong Province Pharmaceutical Industry Association\* (廣東省醫藥行業協會). In April 2014, she was elected as Chinese Pharmaceutical Brand Woman\* (中國(醫藥行業)品牌女性). In February 2017, she was accredited as Excellent Entrepreneur in Pharmaceutical Industry of Guangdong Province\* (廣東省醫藥行業優秀企業家). In December 2017, she was awarded the Best Business Leader Award\* (最佳企業領袖) by "China Finance"\* (《中國金融》). In September 2018, she was ranked fourth on the Forbes Top 10 Female CEOs in China\* (福布斯中國職場最優秀的10位女性CEO). In 2019, she was honoured as one of the China Economic Top 10 Commercial Mulan\* (中國經濟十大商業木蘭) in the China Economic Influential Person of the Year\* (中國經濟影響力年度人物). In 2020, she was honoured as both Pharmaceutical Entrepreneur with Extraordinary Contributions to Pandemic Fight\* (醫藥產業抗疫突出貢獻企業家) and Outstanding Business Figure of the year in Pharmaceutical

Industry\* (醫藥產業年度傑出經濟人物) at the Demonstration Show of Influential Figures (Brands) in Pharmaceutical Industry in Guangdong Province\* (廣東省醫藥產業影響力人物(品牌)系列風采展示活動), and she was awarded 2021 Responsible Business Leader\* (2021年度責任商業領袖) at the 11th China Charity Festival and 2021 Corporate Social Responsibility Carnival\* (第十一屆中國公益節暨2021企業社會責任嘉年華).

Ms. Li is a Local Registered Pharmacist of Guangdong Province\* (廣東省駐店藥師) recognised by Guangdong Food and Drug Administration\* (廣東省食品藥品監督管理局). Since May 2012, she has been appointed as a member of the First Expert Committee for Kidney Disease and Blood Purify of China Medical Women's Association\* (第一屆中國女醫師協會腎臟病及血液淨化專家委員會). In October 2014, she was elected as the deputy councillor of Expert Committee for Professional Committee of Chinese Medicine Product Development and Incubation of China Association of Traditional Chinese Medicine\* (中國中藥協會中藥產品開發與培育專業委員會). In August 2016, she was elected as the deputy councillor of the First Expert Committee for Chinese Medicine Development and Research for Kidney Disease of China Association of Traditional Chinese Medicine\* (中國中藥協會第一屆腎病中藥發展研究專業委員會), and a member of the Pharmacoeconomics Expert Committee\* (藥物經濟學專業委員會). In July 2017, she was elected as a member of the Standing Committee of the Encephalopathy Medicine Research Professional Committee of China Association of Traditional Chinese Medicine\* (中國中藥協會腦病藥物研究專業委員會常委). In November 2017, she was elected as the deputy director of the Physician Working Committee of the Non-Public Medical and Health Institutions\* (非公立醫療衛生機構醫師工作委員會副主任委員) of the Chinese Medical Doctor Association\* (中國醫師協會), and in July 2021, she was appointed as a member of the Research and Development Committee of the Integration of Traditional Chinese and Western Medicine\* (中西醫融合研究與發展委員會委員) of the China Medical Education Association\* (中國醫藥教育協會).

Ms. Li has entered into a service agreement with the Company with a term of three years commencing from the Listing Date and is subject to retirement by rotation and re-election at the AGM in accordance with the Memorandum and Articles. Ms. Li is entitled to receive director's fee, salary, allowances and benefits in kind, statutory retirement scheme contributions, plus share-based payment and discretionary bonus, which will be determined by the Board based on recommendation made by the Board's remuneration committee with reference to her responsibilities, work load, the time devoted to the Group and the performance of the Group. Ms. Li received a total of RMB17,752,000 as director's emoluments for the year ended 31 December 2021.

As at the Latest Practicable Date, 7,717,899 Shares were held by Ms. Li and 128,426,000 Shares were held by Double Grace International Limited. Double Grace International Limited was wholly owned by Ms. Li. Further, Ms. Li was also interested in 15,219,000 Share Options under the SFO. Save as disclosed, as at the Latest Practicable Date, Ms. Li did not have any interests in the Shares within the meaning of Part XV of the SFO.

Ms. Li is the mother of Mr. Xu Hanxing, an executive Director. Further, as disclosed in the circular of the Company dated 20 March 2017, Mr. An Yubao, Ms. Li and Mr. Young have entered into an acting in concert agreement which was terminated by a deed of termination on 16 December 2016. As at the Latest Practicable Date, Mr. An Yubao, Ms. Li and Mr. Young were acting in concert and they had not made a submission to obtain confirmation from the SFC that they were no longer acting in concert pursuant to note 3 to the definition of “acting in concert” of the Takeovers Code. Save as disclosed above, Ms. Li is not connected with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

**Ms. Zhang Lihua**

Ms. Zhang Lihua (張麗華), aged 45, is our non-executive Director. She was appointed as our non-executive Director with effect from 9 July 2021.

Ms. Zhang obtained a doctoral degree of medicine from Southern Medical University in June 2013. Ms. Zhang is currently serving as a deputy chief physician at the affiliated hospital of Southern Medical University. She is also a committee member of the Specialized Committee on Basic Theory of Chinese Association of Integrative Medicine\* (中國中西醫結合學會基礎理論專業委員會), an expert member of the Gynecology Quality Control Centre of Traditional Chinese Medicine in Guangdong Province\* (廣東省中醫婦科質量控制中心), a director of Guangdong Province Population Culture Promotion Association\* (廣東省人口文化促進會) and a standing committee member of its Entrepreneur Health Culture Professional Committee\* (企業家健康文化專業委員會), and an evaluation expert for the High-level Talents in Guangdong Province. Ms. Zhang has been awarded a second prize for the 2019 Guangdong Scientific and Technological Advancement Award\* (廣東省科技進步獎二等獎), a second prize for the Excellent Textbook (Higher Education) in China by Ministry of Education\* (教育部全國優秀教材(高等教育類)二等獎) and a second prize of Science and Technology Award by Chinese Association of Integrative Medicine\* (中國中西醫結合學會科學技術獎二等獎). In 2019, Ms. Zhang was selected as Guangdong Province Outstanding Young Medical Talent\* (廣東省傑出青年醫學人才).

Ms. Zhang has entered into a service agreement with the Company to act as a non-executive director for a term of three years commencing from 9 July 2021 which may be terminated by either party giving not less than three months’ prior notice in writing and is subject to termination provisions contained therein and retirement and re-election in accordance with the Memorandum and Articles, the Listing Rules and any other applicable laws from time to time. According to the service agreement, Ms. Zhang does not receive any director’s remuneration for serving as a non-executive Director, but shall be subject to review by resolution of the Board or Shareholders’ resolution at the general meeting of the Company from time to time.



Ms. Zhang is the wife of Mr. An Meng, an executive Director (Mr. An Meng is the son of Mr. An Yubao, a controlling shareholder of the Company). As at the date of this circular, Ms. Zhang is deemed to be interested in the 211,855,000 Shares in which her spouse, Mr. An Meng, is interested. Among the 211,855,000 Shares in which Mr. An Meng is interested, 14,531,000 Shares are held by Mr. An Meng as beneficial owner and 197,324,000 Shares are held by Central Success Developments Limited. The entire issued share capital of Central Success Developments Limited is owned by Aali Resources Limited which is held in the name of BOS Trustee Limited as a trustee of a discretionary trust of which Mr. An Yubao is the founder and Mr. An Meng is one of the beneficiaries. Save as disclosed above, Ms. Zhang does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO and is not connected with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

**Mr. Feng Zhongshi**

Mr. Feng Zhongshi (馮仲實), aged 63, is our independent non-executive Director. He was appointed as our independent non-executive Director with effect from 2 December 2013.

Mr. Feng is a lawyer qualified in the PRC. He is currently a partner of Beijing GaoJie Law Firm\* (北京市高界律師事務所). He graduated from China University of Political Science and Law\* (中國政法大學) in July 1986 with a bachelor's degree in law. From July 1986 to January 1993, Mr. Feng worked at the Department of Justice of Inner Mongolia Autonomous Region\* (內蒙古自治區司法廳). He served as a lawyer at Inner Mongolia Jingji Law Office\* (內蒙古經濟律師事務所) (now known as Jingshi Law Office\* (經世律師事務所)) from 1993 to 1995. Between 1996 and 2002, Mr. Feng served as a partner at Inner Mongolia Huicong Law Office\* (內蒙古慧聰律師事務所). From 1996 to 2003, he also served as the head of legal department of Beijing Hui Cong International Information Co., Ltd.\* (北京慧聰國際資訊有限公司). Between 2002 and 2009, Mr. Feng served as a lawyer of Beijing Zhong Rui Law Firm\* (北京市中瑞律師事務所). Between June 2011 and January 2013, he served as a partner of Beijing Jin Li Law Firm\* (北京市金勵律師事務所).

As at the Latest Practicable Date, Mr. Feng did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Feng has entered into a service agreement with the Company with a term of three years commencing from the date of appointment and is subject to retirement by rotation and re-election at the AGM in accordance with the Memorandum and Articles. He is entitled to HKD180,000 (approximately RMB144,000) as annual salary. The remuneration committee of the Company will make recommendations to the Board on the remuneration and compensation packages with reference to his responsibilities, work load, the time devoted to the Group and the performance of the Group. The principal elements of his remuneration package include salary and allowance, but exclude discretionary bonus.

Mr. Feng is not connected with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

There are no other matters relating to the re-election of the retiring Directors that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

\* *for identification purpose only*



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## **APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

### **LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase shares on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the SFC subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

### **SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 813,847,098 Shares in issue.

The Repurchase Mandate will enable the Directors to repurchase the Shares up to a maximum of 10% of the total number of the issued Shares of the Company on the date of passing the relevant ordinary resolution at the AGM. Subject to the passing of the proposed resolution granting the Repurchase Mandate and assuming that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 81,384,709 Shares.

The Repurchase Mandate, unless revoked or varied by way of an ordinary resolution of the Shareholders in general meeting, will expire at the conclusion of the next annual general meeting of the Company, which is expected to be convened on or before 30 June 2023.

### **FUNDING OF REPURCHASE**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles, the Listing Rules and the applicable laws of the Cayman Islands, which may include distributable profits of the Company.

### **REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Mandate is in the best interest of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

**EFFECT OF EXERCISING THE REPURCHASE MANDATE**

There might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in the most recent published audited financial statements, in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) has a present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so if the Repurchase Mandate is approved by the Shareholders.

**UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

**THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If, as a result of a Shares repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date and insofar the Directors are aware of, Mr. An Yubao, the trustee (and the intermediate holding company) of the discretionary trust in its capacity, Ms. Li, Double Grace International Limited, Mr. Young and Guido Limited (which is wholly owned by Mr. Young) are taken to be a concert party group holding a total of approximately 453,931,000 Shares, representing approximately 55.78% of the total number of issued Shares of the Company for the purpose of the Takeovers Code. On the basis of 813,847,098 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares prior to the date of the AGM and assuming that there will not be any change in the issued share capital of the Company prior to the repurchase of Shares, in the event that the Repurchase

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**APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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Mandate was exercised in full, their interests in the Company as a concert party group with respect to the Company will be further increased to approximately 61.97%. On the basis of the aforesaid increase of shareholding, the Directors are not presently aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in hands of public falling below the prescribed minimum percentage of 25%.

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company bought back an aggregate of 12,796,000 Shares on the Stock Exchange during the six months preceding the Latest Practicable Date, details of which are as follows:

<b>Date (dd/mm/yyyy)</b>	<b>No. of Shares repurchased</b>	<b>Highest price paid per Share (HKD)</b>	<b>Lowest price paid per Share (HKD)</b>	<b>Total Amount Paid (HKD)</b>
11 November 2021	26,000	3.58	3.52	92,981
12 November 2021	557,000	3.61	3.46	1,964,093
15 November 2021	968,000	3.55	3.40	3,382,386
16 November 2021	205,000	3.64	3.53	728,550
17 November 2021	384,000	3.65	3.58	1,389,043
18 November 2021	175,000	3.61	3.57	627,323
19 November 2021	475,000	3.55	3.48	1,668,818
22 November 2021	544,000	3.54	3.44	1,892,576
23 November 2021	462,000	3.54	3.47	1,615,753
24 November 2021	400,000	3.53	3.47	1,404,080
25 November 2021	200,000	3.54	3.50	703,680
26 November 2021	312,000	3.50	3.46	1,084,606
29 November 2021	604,000	3.49	3.44	2,090,384
2 December 2021	43,000	3.72	3.66	158,790
3 December 2021	55,000	3.73	3.67	203,319
6 December 2021	227,000	3.70	3.64	835,178
7 December 2021	190,000	3.72	3.61	699,941
8 December 2021	603,000	3.72	3.63	2,218,196
10 December 2021	20,000	3.70	3.70	74,000
13 December 2021	205,000	3.75	3.68	763,113
14 December 2021	481,000	3.73	3.66	1,785,616
15 December 2021	450,000	3.72	3.65	1,658,880
16 December 2021	355,000	3.79	3.68	1,322,908
17 December 2021	482,000	3.81	3.71	1,801,668
20 December 2021	295,000	3.78	3.68	1,104,716
21 December 2021	239,000	3.90	3.81	918,764
22 December 2021	175,000	3.94	3.87	683,778
23 December 2021	233,000	3.94	3.91	914,898
24 December 2021	64,000	4.00	3.91	252,832

## APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Date (dd/mm/yyyy)	No. of Shares repurchased	Highest price paid per Share (HKD)	Lowest price paid per Share (HKD)	Total Amount Paid (HKD)
29 December 2021	532,000	4.41	3.98	2,151,302
30 December 2021	154,000	4.19	4.13	643,812
5 January 2022	590,000	4.59	4.38	2,648,569
1 April 2022	113,000	3.96	3.82	442,745
7 April 2022	370,000	4.13	4.00	1,510,044
8 April 2022	470,000	4.12	4.04	1,919,245
11 April 2022	350,000	4.20	4.04	1,445,430
12 April 2022	220,000	4.31	4.14	941,116
13 April 2022	140,000	4.36	4.30	606,886
14 April 2022	170,000	4.42	4.34	746,759
19 April 2022	258,000	4.46	4.32	1,141,289
Total	12,796,000			48,238,067

Saved as disclosed herein, the Company had not repurchased any Shares in the six months preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

### SHARE PRICES

The highest and lowest closed prices at which the Shares were traded on the Stock Exchange during each of the twelve calendar months immediately preceding (and including) the Latest Practicable Date were as follows:

	Closed prices	
	Highest HKD	Lowest HKD
<b>2021</b>		
April	4.60	3.94
May	5.91	4.74
June	5.65	5.03
July	5.65	4.48
August	4.80	3.67
September	3.96	3.54
October	3.72	3.36
November	3.70	3.32
December	4.40	3.66
<b>2022</b>		
January	4.79	3.73
February	4.08	3.68
March	3.88	3.07
April (up to the Latest Practicable Date)	4.45	3.95

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**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

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The following are the Proposed Amendments. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Memorandum and Articles.

Note: The New Memorandum and Articles is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

**Clause      Provisions in the new Memorandum of Association (showing changes to the  
No.           existing Memorandum of Association)**

**THE COMPANIES ~~LAW~~ACT (AS REVISED)  
EXEMPTED COMPANY LIMITED BY SHARES**

2.            The registered office will be ~~situatesituated~~ at the offices of ~~Appleby~~Ocorian Trust (Cayman) ~~Ltd., Clifton House, 75 Fort Street~~Limited, Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands or at such other place in the Cayman Islands as the Directors may from time to time decide.
5.            If the Company is registered as an exempted company as defined in the ~~Cayman Islands Companies Law~~Cayman Islands Companies Act (as revised) of the Cayman Islands, it shall have the power, subject to the provisions of the ~~Cayman Islands Companies Law~~Cayman Islands Companies Act (as revised) of the Cayman Islands and with the approval of a special resolution, to continue as a body incorporated under the laws of any jurisdiction outside of the Cayman Islands and to be de-registered in the Cayman Islands.

**Clause      Provisions in the new Articles of Association (showing changes to the existing  
No.           Articles of Association and parts without changes in the following provisions  
are shown in "...")**

**THE COMPANIES ~~LAW~~ACT (AS REVISED) EXEMPTED  
COMPANY LIMITED BY SHARES**

1.            (a)    Table "A" of the Companies ~~Law~~Act (as revised) of Cayman Islands shall not apply to the Company.

~~"Associates"~~Associate(s) shall have the meaning ~~as defined~~given to the term "associate(s)" in the Listing Rules;

"Close Associate(s)" shall have the meaning given to the term "close associate(s)" in the Listing Rules;

“Companies Law Act” means the Companies Law ~~(2011 Revision Act~~ (as revised) of the Cayman Islands as amended from time to time and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, ~~the~~its Memorandum of Association and/or ~~the~~these Articles of Association;

“Companies Ordinance” means the Companies Ordinance, Cap. 32622 of the Laws of Hong Kong as amended from time to time;

“connected transaction” has the meaning given to it in the Listing Rules;

“Registered Office” means the registered office of the Company for the time being as required by the Companies ~~Law~~Act;

In these Articles, unless there be something in the subject or context inconsistent herewith:

- (i) ...
  - (ii) ...
  - (iii) subject to the foregoing provisions of this Article, any words or expressions defined in the Companies ~~Law~~Act (except any statutory modification thereof not in force when these Articles become binding on the Company) shall bear the same meaning in these Articles, save that “company” shall where the context permits include any company incorporated in the Cayman Islands or elsewhere; and
  - (iv) ...
2. ~~To the extent that the same is permissible under Cayman Islands law and subject to Article 13, a~~ A Special Resolution shall be required to alter the Memorandum of Association of the Company, to approve any amendment of the Articles or to change the name of the Company.

5. (a) If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies ~~Law~~Act, be varied or abrogated ~~either with the consent in writing of the holders of not less than  $\frac{3}{4}$  in nominal value of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than 2 persons holding present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued Shares of that class, that the quorum for any meeting adjourned for want of quorum shall be 2 Shareholders present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of Shares held by them) and that any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.~~
- (b) ...
- (c) ...
8. Any new Shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies ~~Law~~Act and of these Articles, as the Board shall determine; and in particular such Shares may be issued with a preferential or qualified right to participate in Dividends and in the distribution of assets of the Company and with a special right or without any right of voting.
11. (a) All unissued Shares and other securities of the Company shall be at the disposal of the Board and it may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms (subject to Article 9) as it in its absolute discretion thinks fit, but so that no Shares shall be issued at a discount. The Board shall, as regards any offer or allotment of Shares, comply with the provisions of the Companies ~~Law~~Act, if and so far as such provisions may be applicable thereto.
- (b) ...

12. (a) The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares, but so that the conditions and requirements of the Companies Law Act shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the Shares are issued.
- (b) If any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Companies Law Act, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provisions of the plant.
13. The Company may from time to time by Ordinary Resolution:
- (a) ...
- (b) ...
- (c) ...
- (d) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law Act, and so that the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of the Shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new Shares;
- (e) ...
- (f) ...
- (g) ...
- (h) ...



15. (a) Subject to the Companies ~~Law~~Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which expression as used in this Article includes redeemable Shares) provided that the manner and terms of purchase have first been authorised by an Ordinary Resolution of the Shareholders, and to purchase or otherwise acquire warrants and other securities for the subscription or purchase of its own Shares, and shares and warrants and other securities for the subscription or purchase of any shares in any company which is its Holding Company and may make payment therefor in any manner and terms authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any Shares or warrants or other securities in the Company or any company which is a Holding Company of the Company and should the Company purchase or otherwise acquire its own Shares or warrants or other securities neither the Company nor the Board shall be required to select the Shares or warrants or other securities to be purchased or otherwise acquired rateably or in any other manner and terms as between the holders of Shares or warrants or other securities of the same class or as between them and the holders of Shares or warrants or other securities of any other class or in accordance with the rights as to Dividends or capital conferred by any class of Shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the HK Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.
- (b) (i) Subject to the provisions of the Companies ~~Law~~Act and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any Shares or attaching to any class of Shares, Shares may be issued on the terms that they may, at the option of the Company or the holders thereof, be liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
- (ii) ...
- (c) (i) ...
- (ii) ...

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**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

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17.        (a) The Board shall cause to be kept the Register and there shall be entered therein the particulars required under the Companies ~~Law~~Act.
- (b) Subject to the provisions of the Companies ~~Law~~Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a principal or branch register of Shareholders at such location as the Board thinks fit and, during the Relevant Period, the Company shall keep its principal or a branch register of Shareholders in Hong Kong.
- (c) During the Relevant Period (except when the Register is closed), any Shareholder may inspect during business hours any Register maintained in Hong Kong without charge and require the provision to him of copies or extracts thereof in all respects as if the Company were incorporated under and were subject to the Companies Ordinance. The Company may close any Register maintained in Hong Kong in a manner which complies with section 632 of the Companies Ordinance.
- (d) ...
18.        (a) Every person whose name is entered as a Shareholder in the Register shall be entitled to receive within the relevant time limit as prescribed in the Companies ~~Law~~Act or as the HK Stock Exchange may from time to time determine, whichever is shorter, after allotment or lodgement of a transfer (or within such other period as the conditions of issue shall provide or is required by the applicable rules of the stock exchange of the Relevant Territory) one certificate for all his Shares, or, if he shall so request, in a case where the allotment or transfer is of a number of Shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange of the Relevant Territory on which the Shares are listed upon payment of such sum (in the case of a transfer, not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such other sum as may from time to time be allowed or not prohibited under the Listing Rules, and in the case of any other Shares, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant Register is situated, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Board may from time to time determine, such number of certificates for Shares in stock exchange board lots or whole multiples thereof as he shall request and one for the balance (if any) of the Shares in question, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of the joint holders shall be sufficient delivery to all such holders.

- (b) ...
39. Subject to the Companies ~~Law~~Act, all transfers of Shares shall be effected by transfer in writing in the usual or common form or in such other form as the Board may accept provided always that it shall be in such a form prescribed by the HK Stock Exchange and may be under hand only or, if the transferor or transferee is a Clearing House (or its nominee(s)), under hand or by machine imprinted signature or by such other means of execution as the Board may approve from time to time.
41. (a) ...
- (b) ...
- (c) Notwithstanding anything contained in these Articles, the Company shall as soon as practicable and on a regular basis record in the principal Register all removals of Shares effected on any branch Register and shall at all times maintain the principal Register and all branch Registers in all respects in accordance with the Companies ~~Law~~Act.
62. At all times during the Relevant Period ~~other than the year of the Company's adoption of these Articles~~, the Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that financial year and shall specify the meeting as such in the notice calling it; ~~and not more than 15 Months~~. Each annual general meeting shall be held within six months after the end of the Company's financial year (or such any longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere, as may be determined by the Board, and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.

64. The Board may, whenever it thinks fit, convene an extraordinary general meeting. ~~Extraordinary~~ An extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, as at the date of deposit of the requisition, not less than one-tenth of the ~~paid-up~~ voting rights (on a vote per Share basis) in the issued share capital of the Company ~~having the right of voting at general meetings~~. Such Shareholder(s) shall also be entitled to add resolutions to the agenda for the extraordinary general meeting concerned. Such requisition ~~shall~~ must be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.
68. ~~For~~ Unless otherwise specified, for all purposes the quorum for a general meeting shall be 2 Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting.
72. At any general meeting a resolution put to the vote of the meeting shall be decided ~~on~~ by way of a poll, save that the Chairman of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands ~~unless a poll, in which case every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy(ies) shall have one vote, provided that where more than one proxy is appointed by a Shareholder which is a Clearing House (or its nominee(s)), each such proxy shall have one vote on a show of hands. For the purposes of this Article, procedural and administrative matters are those that: (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to the Shareholders; and (ii) relate to the Chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Shareholders a reasonable opportunity to express their views.~~

Where a show of hands is allowed, before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded or otherwise required under the Listing Rules. A poll may be demanded by:

(a) ...

(b) ...

(c) ...

(d) ...

73. ~~Unless a poll be so required or demanded as aforesaid and, in the latter case, not withdrawn~~ Where a resolution is voted on by a show of hands, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect made in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

79A. Each Shareholder has the right to: (a) speak at a general meeting; and (b) vote at a general meeting, except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration. A Shareholder may not vote at a general meeting of the Company if that Shareholder is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

92. (a) Any corporation which is a Shareholder may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Shareholders of the Company, and the person so authorised shall be entitled to vote and to exercise the same rights and powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder of the Company. References in these Articles to a Shareholder present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a Shareholder represented at the meeting by such duly authorised representative.

- (b) Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 93) appoint one or more proxies or authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Shareholders or any meeting of creditors and each of those proxies or representatives shall enjoy rights equivalent to the rights of other Shareholders, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Shareholder, including the right to vote individually on a show of hands and the right to speak.

96. The number of Directors shall not be less than two (2). The Company shall keep at its Registered Office a register of its directors and officers in accordance with the Companies ~~Law~~Act.

104. (a) ...

- (b) Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies ~~Law~~Act, the Company shall not directly or indirectly:

(i) ...

(ii) ...

(iii) ...

(c) ...

107. (a) (i) ...
- (ii) ...
- (b) ...
- (c) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his Close Associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:-
- (i) the giving of any security or indemnity either:
- (a) to the Director or his Close Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
- (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Close Associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Close Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his Close Associate(s) may benefit; or

- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates ~~both~~ to ~~Director~~the Director, his ~~Associates~~Close Associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Close Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract or arrangement in which the Director or his Close Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (d) ...
- (e) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman) or his ~~Associates~~Close Associate(s) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his ~~Associates~~Close Associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman or his ~~Associates~~Close Associate(s) such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman or his ~~Associates~~Close Associate(s) as known to him has not been fairly disclosed to the Board.
- (f) Each reference to Close Associate(s) in paragraph (c) or (e) of this Article above shall be deemed to be a reference to Associate(s) where the proposal, transaction, contract or arrangement concerned is a connected transaction.



112. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the ~~first~~next following annual general meeting of the Company after his appointment and ~~shall be subject to~~be eligible for re-election at such annual general meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall ~~then~~ be eligible for re-election: at such annual general meeting.
114. The ~~Company~~Shareholders may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by Ordinary Resolution elect another person in his stead. Any person so elected shall hold office only until the next general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.
116. The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular but subject to the provisions of the Companies ~~Law~~Act, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
119. The Directors shall cause a proper register to be kept, in accordance with the provisions of the Companies ~~Law~~Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Companies ~~Law~~Act with regard to the registration of mortgages and charges as may be specified or required.

127. The business of the Company shall be managed by the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies ~~Law~~Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies ~~Law~~Act and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
144. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may, without prejudice to his right under any contract with the Company, be removed by the Board. Anything by the Companies ~~Law~~Act or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically on behalf of the Board.
145. The Secretary shall attend all meetings of the Shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Companies ~~Law~~Act and these Articles, together with such other duties as may from time to time be prescribed by the Board.
146. A provision of the Companies ~~Law~~Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of the Secretary.
147. (a) Subject to the Companies ~~Law~~Act, the Company shall have one or more Seals as the Board may determine, and may have a Seal for use outside the Cayman Islands. The Board shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Board or a committee authorised by the Board in that behalf.
- (b) ...
- (c) ...

153. (a) The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts which are available for distribution (including its share premium account and capital redemption reserve fund, subject to the Companies ~~Law~~Act) and to appropriate such sums to the holders of Shares on the Register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.
- (b) Subject to the Companies ~~Law~~Act, whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and attend to all allotments and issues of fully paid Shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and in particular may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any Shareholders in lieu of fractional entitlements or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the Shareholders concerned, and no Shareholders who are affected thereby shall be deemed to be, and they shall be deemed not to be, a separate class of Shareholders by reason only of the exercise of this power. The Board may authorise any person to enter on behalf of all Shareholders interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the Shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.
- (c) ...

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**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

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154.        Subject to the Companies ~~Law~~Act and these Articles, the Company in general meeting may declare Dividends in any currency but no Dividends shall exceed the amount recommended by the Board.
156.        (a)    No Dividend shall be declared or paid or shall be made otherwise than in accordance with the Companies ~~Law~~Act.
- (b)    Subject to the provisions of the Companies ~~Law~~Act but without prejudice to paragraph (a) of this Article, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for Dividend accordingly. Subject as aforesaid, if any Shares or securities are purchased cum Dividend or interest, such Dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.
- (c)    ...
- (d)    ...
171.        The Board shall make or cause to be made such annual or other returns or filings as may be required to be made in accordance with the Companies ~~Law~~Act.
172.        The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the assets and liabilities of the Company and of all other matters required by the Companies ~~Law~~Act necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.
174.        No Shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies ~~Law~~Act or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

176. (a) The ~~Company~~Shareholders shall at each annual general meeting by Ordinary Resolution appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. ~~A No Director, or officer of the Company, or any employee of any such Director, or officer or employee of the Company, shall not be appointed the Auditors of the Company.~~ The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by, or on the authority of, ~~the Company~~Shareholders in the general meeting by Ordinary Resolution, except that at any annual general meeting except that in any particular year the Company in general meeting may the Shareholders may by Ordinary Resolution delegate the fixing of such remuneration to the Board~~—and the~~. The remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.
- (b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by ~~Special~~Ordinary Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term.
180. (A) (i) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies ~~Law~~Act and the Listing Rules from time to time and subject to this Article, contained in an electronic communication. A notice calling a meeting of the Board need not be in writing.

- (ii) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies ~~Law~~Act and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and notifying the Shareholder concerned that it has been so published.

(iii) ...

188. Subject to the Companies ~~Law~~Act, a resolution that the Company be wound up by the Court or be wound up voluntarily shall be passed by way of a Special Resolution.
190. If the Company shall be wound up (in whatever manner) the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies ~~Law~~Act, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders and the Shareholders within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any Shares or other assets upon which there is a liability.

195. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Companies ~~Law~~Act:

(a) ...

(i) ...

(ii) ...

(iii) ...

(aa) ...

(bb) ...

(iv) ...

(b) ...

(c) ...

(d) ...

196. The following provisions shall have effect at any time and from time to time provided that they are not prohibited by or inconsistent with the Companies ~~Law~~Act:

(a) ...

(b) ...

(c) ...

(d) ...

#### **FINANCIAL YEAR**

197. The Directors shall determine the financial year of the Company and may change it from time to time. Unless they determine otherwise, the financial year of the Company shall end on 31 December in each year.

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## NOTICE OF AGM

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康臣藥業集團有限公司  
CONSUN PHARMACEUTICAL GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 1681)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Consun Pharmaceutical Group Limited (the “**Company**”) will be held with the combination of a physical meeting at 71, Dongpeng Avenue, Eastern Section, Guangzhou Economic and Technological Development District, Guangzhou, PRC and an online virtual meeting on 27 May 2022 (Friday), at 10:00 a.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements together with the directors’ report and the independent auditor’s report of the Company for the year ended 31 December 2021.
2.
  - (a) To re-elect Ms. Li Qian as an executive director of the Company.
  - (b) To re-elect Ms. Zhang Lihua as a non-executive director of the Company.
  - (c) To re-elect Mr. Feng Zhongshi as an independent non-executive director of the Company.
  - (d) To authorise the board of directors of the Company (the “**Directors**”) to fix the Directors’ remuneration.
3. To declare and pay to the shareholders of the Company a final dividend of HKD0.2 per ordinary share of the Company for the year ended 31 December 2021.
4. To re-appoint KPMG as auditors of the Company and to authorise the board of Directors to fix their remuneration.

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

5. “**THAT:**
  - (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to allot, issue and deal with any unissued shares in the capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;



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## NOTICE OF AGM

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- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the shares in the capital of the company to be issued either during or after the end of the Relevant Period (as hereinafter defined);
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of shares or rights to acquire shares of the Company; or (iii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the memorandum and articles of association of the Company; or (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the total number of issued shares of the Company at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution,

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this resolution; and

**“Rights Issue”** means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer)

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## NOTICE OF AGM

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on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total number of issued shares of the Company at the date of the passing of this resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this resolution.”

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## NOTICE OF AGM

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7. “**THAT** conditional upon the ordinary resolutions set out in paragraphs 5 and 6 of the notice convening this meeting being passed, the general mandate granted to the Directors to allot, issue and deal in any unissued shares pursuant to the ordinary resolution set out in paragraph 5 of the notice convening this meeting be and is hereby extended by the addition to the total number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the total number of shares of the Company repurchased by the Company under the authority granted pursuant to the ordinary resolution set out in paragraph 6 of the notice convening this meeting, provided that such extended amount shall not exceed 10% of the total number of issued shares of the Company at the date of the passing of this resolution.”

As special business, to consider and, if thought fit, pass with or without amendments, the following resolution a special resolution:

8. “**THAT** the Memorandum and Articles of the Company be amended in the manner as set out in the circular of the Company dated 26 April 2022 (the “**Circular**”) be approved and adopted as the amended and restated memorandum and articles of association of the Company in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect after the close of the AGM and that the Directors be and are hereby authorised to do all things necessary to implement the adoption of the amended and restated memorandum and articles of association of the Company.”

By Order of the Board  
**Consun Pharmaceutical Group Limited**  
**An Meng**  
*Chairman*

Hong Kong, 26 April 2022

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## NOTICE OF AGM

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*Notes:*

1. A member entitled to attend and vote at the above meeting (or at any adjournment thereof) (the “AGM”) shall be entitled to appoint another person as his proxy to attend and, on a poll, vote in his stead. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Tuesday, 24 May 2022 to Friday, 27 May 2022, both days inclusive, during which period no transfer of shares will be registered. In order to determine the eligibility of the Shareholders who are entitled to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 23 May 2022.
4. To determine Shareholders’ entitlements to the proposed final dividend relating to proposed resolution no.3 in this notice, the register of members of the Company will be closed from Tuesday, 7 June 2022 to Friday, 10 June 2022 (both days inclusive), during which period no share transfer will be registered. In order to qualify for the proposed final dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 6 June 2022.
5. According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at general meeting of the Company must be taken by poll. Therefore, all proposed resolutions put to the vote at the AGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
6. A form of proxy for use at the AGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Whether or not a Shareholder is able to attend the AGM, he/she is requested to complete the form of proxy in accordance with the instructions printed thereon and return the same together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
7. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person or via online platform at the AGM or any adjournment thereof should he so wish. In view of the COVID-19 epidemic, Shareholders are encouraged to adopt the appropriate way to attend the AGM.
8. The Company will conduct a hybrid AGM via online platform, which allows shareholders to participate in the AGM online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form to the AGM by visiting the website at [http://meetings.computershare.com/CPGL\\_2022AGM](http://meetings.computershare.com/CPGL_2022AGM) via smartphones, tablets, or computers. Please refer to the Online User Guide at <http://www.chinaconsun.com> for assistance. The live broadcast option can also broaden the reach of the AGM to shareholders who do not wish to attend physically due to concerns on attending large scale events under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend in person.
9. Although shareholders are welcome to attend the AGM in person if they so wish, the Company strongly recommends shareholders to attend the AGM via online platform in view of the current COVID-19 situation. If you have any queries on the above, please contact the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).

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## NOTICE OF AGM

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10. Shareholders who wish to attend the AGM and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the AGM in person and vote at the AGM venue; or
- (2) attend the AGM via online platform which enables live streaming and interactive platform for Q&A and vote online; or
- (3) appoint chairman of the AGM or other persons as your proxy to vote on your behalf. Your proxy's authority and instruction will be revoked if you attend and vote in person or via online platform at the AGM.

Non-registered shareholders who wish to attend and participate in the AGM via online platform should liaise with your bank(s), broker(s), custodian(s), nominee(s) or HKSCC Nominees Limited through which your shares are held (collectively, the "Intermediaries") and provide your email addresses to your Intermediaries. Details regarding the arrangements of the AGM, including login details to access the online platform and online voting, will be sent by Computershare Hong Kong Investor Services Limited to the email addresses provided by the non-registered shareholders.

For corporate shareholders who wish to attend the AGM and vote online, please contact the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at (852) 2862 8555 on or before Wednesday, 25 May 2022 for arrangement.

11. With regard to proposed resolution nos. 2, 5 to 8 in this notice, a circular giving details of the re-election of retiring Directors, general mandates to issue and to repurchase Shares and details of the proposed amendments to the memorandum and articles of association of the Company will be despatched to Shareholders. The biographical details of the retiring Directors who are subject to re-election at the meeting, explanatory statement on the repurchase mandate and the details of the proposed amendments to the memorandum and articles of association of the Company are set out in Appendix I, Appendix II and Appendix III to the Circular, respectively.
12. As at the date of this notice, the Board comprises Mr. An Meng, Ms. Li Qian, Professor Zhu Quan and Mr. Xu Hanxing as executive Directors; Ms. Zhang Lihua as a non-executive Director; Mr. Su Yuanfu, Mr. Feng Zhongshi and Ms. Chen Yujun as independent non-executive Directors.